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Activities of the Ethics Office

Report of the Secretary-General

Summary

The General Assembly, in its resolution 60/254 of 8 May 2006 on the "Review of the efficiency of the administrative and financial functioning of the United Nations", having welcomed the establishment of the Ethics Office and endorsed its main responsibilities, requested the Secretary-General to submit, in the context of his annual report, information on the activities of the Ethics Office and on the implementation of ethics policies, under the agenda item relating to human resources management.

The present report covers the operations of the Ethics Office from 1 January to 31 July 2006.

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I. Introduction

1. The first report on the activities of the Ethics Office is submitted pursuant to General Assembly resolution 60/254, paragraphs 16 (f) and (i), in which the Assembly requested the Secretary-General to report on the implementation of ethics policies, under the agenda item relating to human resources management. The Secretary-General will present a comprehensive review during the sixty-second session, as requested in paragraph 16 (g) of that resolution. In addition, the present report addresses the request for the expeditious filling of vacancies for the Office, pursuant to General Assembly resolution 60/283, section I, paragraph 1. It also responds to the request for a report on the implementation of regulations governing the status, basic rights and duties of officials other than Secretariat officials and experts on mission, as stated in resolution 60/238, section III, paragraph 2.

II. Background

2. The Secretary-General established the independent Ethics Office in the United Nations Secretariat upon the approval of its creation by the General Assembly at the 2005 World Summit (resolution 60/1, para. 161 (d)). It was created in the context of the overall Secretariat and management reform initiatives, which are to be anchored in a culture of ethics, transparency and accountability.

3. The objective of the Office, as set forth in Secretary-General's bulletin ST/SGB/2005/22, is to assist the Secretary-General in ensuring that all staff members observe and perform their functions consistent with the highest standards of integrity, as envisaged in the Charter of the United Nations. The Office reports directly to the Secretary-General and does not replace any existing mechanism available to staff for the reporting of misconduct or the resolution of grievances.

4. The main areas of responsibility of the Ethics Office are as follows:

(a) Developing standards, training and education on ethics issues, in coordination with the Office of Human Resources Management and other offices as appropriate, including ensuring annual ethics training for all staff;

(b) Providing confidential advice and guidance to staff on ethical issues (such as conflicts of interest), including administering an ethics helpline;

(c) Administering the Organization's financial disclosure programme;

(d) Undertaking the responsibilities assigned to it under the Organization's policy for the protection of staff against retaliation for reporting misconduct and for cooperating with duly authorized audits or investigations;

(e) Such other functions as the Secretary-General considers appropriate for the Office.

5. In assisting the Secretary-General, the Ethics Office functions as a guardian of the standards of conduct for United Nations staff. In that capacity, the Office is proactive in updating those standards and in providing information and developing content for training on them. In addition, the Office is consulted on the ethical implications of key policies, such as procurement and post-employment restrictions.

6. The Office provides a secure confidential environment in which staff can feel free to consult on ethical issues and seek protection against retaliation for the reporting of misconduct in good faith. To that end, the Ethics Office has set up an ethics helpline (1 917 367 9858) and a dedicated e-mail address (ethicsoffice@un.org). Information on the Office is also available to staff through the United Nations Intranet (iSeek). To protect the confidentiality of sensitive information, the Office has adopted stringent procedures for managing information and developed a secure data filing and tracking system.

7. Since its inception, the Ethics Office has been establishing operations under the guidance of the Special Adviser to the Secretary-General. The present report will provide an overview of the setting-up activities and operations of the Office, as well as an initial assessment of its functioning.

III. Establishment of the Ethics Office

8. The Ethics Office opened on 3 January 2006 with two seconded staff. In February, the Secretary-General appointed an international integrity and anti-corruption expert as Special Adviser on the Establishment of the Ethics Office, to provide guidance and strategic direction to the Office. By March, the Office had in place a director and four staff on an interim basis, as well as a consultant.

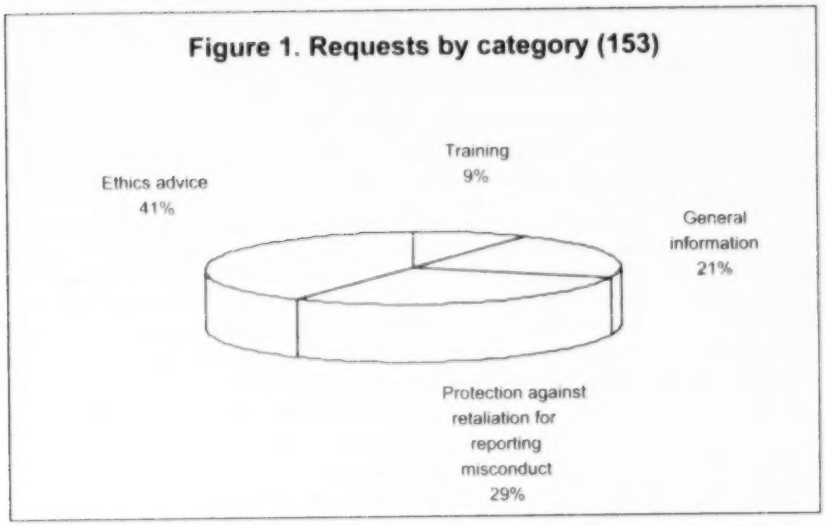
9. During the following months, the recruitment procedures for filling permanent posts were put in place, including announcements in international publications with wide circulation such as the *Asian Wall Street Journal*, *The Economist*, *Jeune Afrique*, *le Monde* and the *Wall Street Journal*. All efforts are being made to complete the recruitment process as expeditiously as possible.

10. The Office has been establishing administrative and operational procedures while implementing the policy areas under its mandate. The Office has consulted with relevant internal offices, such as the Office of Human Resources Management, the Office of Legal Affairs, the secretariat of the Joint Appeals Board, the Office of the United Nations Ombudsman and the Office of Internal Oversight Services, as well as external public and private sector organizations. While consultations and deliberations absorbed much staff time, they have ensured that the Office had access to the best information and profited from lessons learned by others.

11. During its first months of operation, the Office had to conduct its setting-up activities while responding to staff requests for services, which totalled 153 by the end of July. The Office also coordinated the expanded annual financial disclosure exercise, covering more than 1,800 staff, which generated hundreds of inquiries about filing instructions.

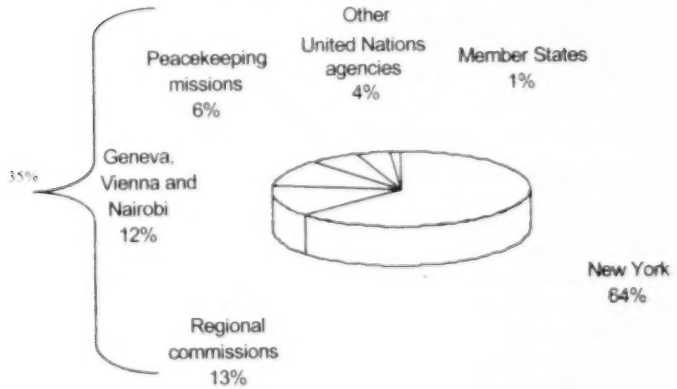
12. As shown in figure 1, requests for services fell into the following categories: ethics advice (41%), protection against retaliation for reporting misconduct (29%), general information (21%) and training (9%). The time required to respond to each request varied considerably, from a few minutes to several weeks.

Figure 1. Requests by category (153)



13. Figure 2 illustrates the source of the requests for services: New York (64%), regional commissions (13%), Geneva, Vienna and Nairobi offices (12%), peacekeeping missions (6%), other United Nations agencies (4%), and Member States (1%). A total of 35 per cent of requests came from duty stations outside New York.

Figure 2. Requests by source (153)



IV. Operations and activities

A. Standards and training

14. One of the most important functions of the Ethics Office is its leading role in developing and setting standards of conduct and facilitating annual training on ethics issues, in collaboration with the Office of Human Resources Management.

15. To provide staff with a user-friendly guide to existing standards — or the United Nations code of conduct, as stipulated in the Secretary-General's bulletin entitled "Status, Basic Rights and Duties of United Nations Staff Members" (see ST/SGB/2002/13). The Office is working with the Office of Human Resources Management and the Office of Legal Affairs. The guide highlights the main challenges to professional and ethical conduct and clarifies the reasons behind the standards, in the context of the mission and values of the Organization. It also provides references to key documents, services and other resources to help staff put the values and principles of the Organization into practice. Due to be published late in 2006, the guide and its broad dissemination will advance efforts to develop a system-wide understanding of the United Nations code of conduct.

16. Work is also ongoing with existing and new training programmes to strengthen and raise awareness of ethics and accountability. In 2005, the Office of Human Resources Management launched an integrity awareness learning programme, available online in English and French. The certification programme is designed to promote awareness of United Nations core values, and covers four specific areas of personal and professional integrity. The programme had been completed by almost 6,500 staff members at the end of the current reporting period.

17. In 2005, a half-day workshop entitled "Working together: professional ethics and integrity in our daily work" was held on a mandatory basis for all staff in the Department of Management. During the pilot phase, its substantive content was refined and adapted by the Ethics Office and the Office of Human Resources Management. Almost 900 staff members of the Department of Management participated in the workshop, and a number of special sessions have been organized for personnel of the Department of Peacekeeping Operations.

18. An expanded and adapted workshop will be launched Secretariat-wide in the third quarter of 2006, following a special programme on "Ethics in the workplace" for senior officials at the Under-Secretary-General and Assistant Secretary-General levels. In addition, leadership and management development programmes now include ethics training components, as do courses in other areas such as procurement and contract management, performance management and competency-based selection and interviewing skills. Collaborative efforts between the Ethics Office and the Office of Human Resources Management will continue to refine and tailor ethics training initiatives and expand their scope and range in line with evolving needs.

19. Staff members of the Ethics Office also regularly attend and deliver briefings at learning programmes or, upon request, for special target groups (for example, staff members with financial disclosure obligations or new staff orientations).

B. Change management and communication

20. The standard-setting and training activities of the Office must be based on a clear vision of the desired changes in the professional behaviour of the staff, leading to the desired shift in the culture of the Organization. A change management strategy is essential to communicating and attaining that vision. To facilitate the change process, the Ethics Office intends to provide staff with a clear understanding of its role and encourage them to avail themselves of the services and resources at their disposal.

21. To that end, the Ethics Office is working with the Monitoring, Evaluation and Consulting Division of the Office of Internal Oversight Services to devise a change management plan aimed at raising staff awareness of and ensuring compliance with United Nations standards of conduct and values. The implementation of the change management plan, with a major communication strategy, will include assisting staff members to identify ethical dilemmas and encouraging them to seek the services of the Office.

22. In that connection, the Special Adviser has been active in emphasizing the importance of outreach to staff and senior officials. Accordingly, he has visited a number of duty stations, including the Economic Commission for Africa, the Economic and Social Commission for Asia and the Pacific and United Nations Office at Nairobi. Visits to other duty stations are planned.

23. Moreover, the Ethics Office has been featured in United Nations media reports and on iSeek. At the invitation of the Spokesman of the Secretary-General, the Special Adviser and other staff members gave a briefing to the United Nations press corps. The Special Adviser has also undertaken speaking engagements at international events, such as the World Ethics Forum, to publicize the work of the Office.

24. Proposals for a dedicated "ethics day" to highlight the importance of ethical practices in the United Nations workplace are under consideration for late in 2006.

C. Advice and guidance

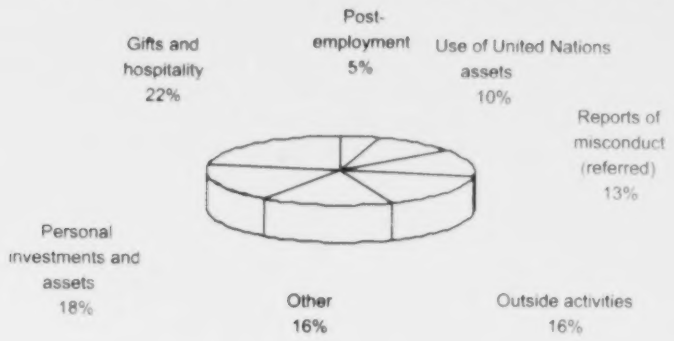
25. The Ethics Office plays an important role in providing confidential advice and guidance to both individuals and groups. In addition, the Office has been consulted on the ethical aspects of proposed policy changes, as mentioned above.

26. Staff members may contact the Office to discuss potential conflicts of interest and obtain clarification of relevant regulations and rules, with a view to avoiding any misinformed or misguided action. Based on the facts presented by the enquiring staff member, the Office advises on the various courses of action a staff member may take in his or her personal or professional life in order not to compromise his or her official duties.

27. The Office does not replace existing mechanisms for reporting restricted activities (such as accepting gifts or participating in outside activities), or for granting authorization for them. Rather, it serves as an office from which to seek advice prior to requesting authorization for a restricted activity in order to avoid or manage a conflict of interest or the appearance of one.

28. As at the end of July, the Office had received 62 requests for advice on conflicts of interest and other ethics-related questions. Figure 3 presents a breakdown by category: personal investments and assets (18%), gifts and hospitality (22%), outside activities (16%), reports of misconduct referred to appropriate offices (13%), use of assets of the Organization (10%), post-employment activities (5%) and other questions (16%).

Figure 3. Ethics advice by category (62 requests)



29. In providing ethics advice, the Office has noted the particular complexity of staff rules regarding the receiving and reporting of gifts, benefits, honours and favours (hereafter referred to as gifts). Staff rules generally prohibit the receipt of gifts by staff in their official capacity, except in the very restricted circumstances outlined in the rules. Furthermore, a distinction must be made between gifts to staff as individuals and gifts to the Organization (for example, authorized travel for staff members that has been accepted by the Organization on their behalf).

30. Although the Office has consulted widely about practices — with the Office of Human Resources Management, the Office of Legal Affairs and ethics offices in other jurisdictions — in providing advice in this area, it is clear that a concerted effort to streamline and standardize procedures at all duty stations is necessary. The Office is consulting with the United Nations Office on Drugs and Crime to explore the possibility of adapting its pilot gift registry programme.

D. Financial disclosure programme

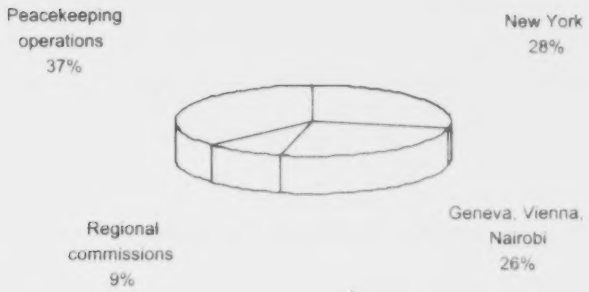
31. The financial disclosure programme is another important component of the Secretary-General's mission to maintain and enhance public trust in the integrity of the United Nations. The primary purpose of requesting staff members to submit financial disclosure statements is to identify and propose ways to resolve conflicts of interest arising from their financial holdings and outside activities. This may result in advising staff members to divest themselves of holdings, or to recuse themselves from a particular activity or aspect of their official functions.

32. The financial disclosure programme came into effect on 1 January 1999 pursuant to the adoption of General Assembly resolution 52/252, under which staff members at the Assistant Secretary-General level and above are required to file financial disclosure statements. The programme was revised in 2005 by amendments to staff regulation 1.2 (n) (see A/60/365) and staff rule 101.2 (see ST/SGB/2006/6), by which the scope of the financial disclosure programme was extended and the gift reporting threshold was lowered.

33. The Secretary-General's bulletin on financial disclosure and declaration of interest statements (ST/SGB/2006/6), which came into force on 1 May 2006, outlined the role of the Ethics Office in administering financial disclosure statements and broadened reporting requirements in respect of staff members' spouses and dependent children. It also broadened the scope of the policy to include all staff members at the D-1 and L-6 level and above as well as those with access to confidential procurement or investment information. All staff serving in the Ethics Office are required to file financial disclosure statements.

34. In 2005, more than 1,800 staff members were required to file a financial disclosure or declaration of interest statement. Figure 4 illustrates the geographical spread of the staff members with financial disclosure obligations: peacekeeping operations (37%), New York (28%), Geneva, Vienna and Nairobi offices (26%) and regional commissions (9%). It is noteworthy that more than 70 per cent of those required to file statements were located in duty stations outside New York.

Figure 4. Staff required to file by location (1,800)



35. By the end of July, over 90 per cent of all staff members required to file statements, excluding those in peacekeeping missions, had complied with their obligation under the programme.[1] The Ethics Office continues to follow up with staff members who have not yet submitted their statements.

36. In due course, the statements submitted will be reviewed for completeness of information and analysed according to the objectives of the financial disclosure

[1] The figure includes 140 staff members of the Office of the United Nations High Commissioner for Refugees who were informed of their obligations only in July, owing to extensive internal consultations on the implementation of staff regulation 1.2 (n) within the agency.

programme. In addition, random audits of information provided by staff members holding positions in the Organization exposed to integrity risks will be carried out. All reviews will be conducted by external financial experts in order to safeguard the confidentiality of the information.

37. The procedures adopted for the administration of the financial disclosure programme are based on best practices in other jurisdictions. The external financial experts appointed will be required to follow the same best practices and ensure secure and confidential handling of data submitted by staff members.

38. The financial experts are being selected through an international public tender. The deadline for the submission of proposals was 28 July 2006. Upon completion of the technical and financial evaluations and contractual negotiations, the experts are expected to commence their work in the last quarter of 2006.

39. The financial disclosure requirement is currently limited to the staff members specified in paragraph 33 above. However, Member States have asked whether financial disclosure statements should be required of officials other than Secretariat officials and experts on mission with a fiduciary role.[2] Currently, the Secretary-General has the authority to introduce that requirement on the basis of regulation 2 (i) of the Regulations Governing the Status, Basic Rights and Duties of Officials other than Secretariat Officials, and Experts on Mission (see ST/SGB/2002/9). He can determine the procedures applicable and, in consultation with the relevant appointing authority, judge whether their functions and interface give rise to potential conflicts of interest.

40. It is recommended that a thorough review of the functions of the officials and experts and of the risks of financial and political interests be carried out by the Ethics Office. Such a review could be undertaken once the permanent staff members of the Office have been recruited. Given the policy-setting or oversight roles and the independence of the bodies involved, careful consideration needs to be given to the appropriate and necessary level of financial disclosure required of their members.

41. The challenge for the financial disclosure programme will be to raise the awareness of staff members to ensure that conflicts of interest are managed or avoided at the outset, without any subsequent need for intervention by the reviewing experts.

E. Protection of staff against retaliation for reporting misconduct

42. A policy on the protection against retaliation for reporting misconduct and for cooperating with duly authorized audits or investigations came into force on 1 January 2006 (see ST/SGB/2005/21). The policy envisages protective measures for staff members under threat of or experiencing retaliation for duly reporting misconduct in their working environment to the responsible offices or officials. It

[2] They include the Chairman and members of the Advisory Committee on Administrative and Budgetary Questions, the Chairman and Vice-Chairman of the International Civil Service Commission (ICSC) and inspectors of the Joint Inspection Unit, members of the Board of Auditors and ICSC commissioners. Member States may also seek to require compliance with the financial disclosure requirements by members of the newly established Independent Audit Advisory Committee.

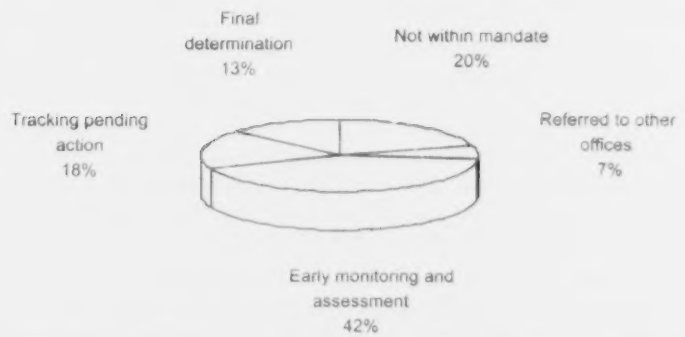
represents a shift of the burden of proof to the Organization, requiring it to show in each case that the alleged retaliatory action is unrelated to the report of misconduct.

43. The Ethics Office ensures confidential and prompt attention to requests for protection against retaliation for having reported misconduct. The Office consults with the individuals concerned to assess whether their requests fall within the protection mandate of the Office. Where warranted, the Office conducts a preliminary review to assess whether there is a credible case of retaliation.

44. If the Office has determined that a credible case of retaliation exists, it refers the matter to the Office of Internal Oversight Services or, where appropriate, to an independent panel. The investigation should be completed within 120 days. Once the investigation has been completed, and if retaliation has been established, the Ethics Office can make recommendations to the head of department or office to correct any negative consequence of retaliation. In the event that the Office is not satisfied with the response from the head of department or office concerned, it can make a recommendation to the Secretary-General for further action.

45. As at 31 July, the Office had received 45 complaints of retaliation for reporting misconduct. Figure 5 presents a breakdown of the status of retaliation complaints: not within the scope of the Office's mandate (20%), referred to other offices (7%), early monitoring and assessment (42%), tracking for pending action by other offices (18%) and final determinations (13%). Of the six final determinations, one case had been submitted for investigation; in the other five cases, no credible instances of retaliation were established. Complaints are handled according to specific procedures, using a secure filing and tracking system developed by the Office in collaboration with other United Nations offices and external experts.

Figure 5. Status of retaliation complaints (45)


Final determination 13%
Not within mandate 20%
Tracking pending action 18%
Referred to other offices 7%
Early monitoring and assessment 42%

46. Initially, the Office consulted extensively with the Office of Human Resources Management, the Office of Legal Affairs, the Office of the Ombudsman, the secretariat of the Joint Appeals Board and the Office of Internal Oversight Services in establishing its procedures for dealing with complaints of retaliation. The Office continues to coordinate its response to individual cases of complaints, without compromising the confidentiality of sensitive information. Coordination is crucial to

preventing duplication of responses by the above-mentioned offices in instances of multiple reporting of the same complaint. Considerable advisory support was provided by the Government Accountability Project, an international non-governmental organization devoted to whistle-blower protection.

V. Observations

47. At this early stage of the operations of the Ethics Office, it is noteworthy that 70 per cent of staff required to file financial disclosures and 35 per cent of all staff requests for services were from offices away from New York.

48. In the provision of ethics advice, as mentioned above, it is the intention of the Ethics Office to clarify procedures governing the receiving and reporting of gifts by staff in their official capacity, in consultation with other offices. Such consultations should harmonize the interpretation of relevant rules and standardize procedures for receiving and reporting gifts in all duty stations.

49. In the administration of the financial disclosure programme, more resources than anticipated have been required, in terms of substantive and administrative inputs on the part of the Office staff. The extension of financial disclosure obligations to a wider range of staff has required ongoing intensive liaison with the executive offices of the Secretariat, delivery of information sessions on the programme and responses to hundreds of individual enquiries from staff members concerned, prior to the deadline. Subsequent to the deadline, the registration of incoming outstanding disclosure forms and follow-up on them have continued to place demands on the Office. Those demands should be taken into account when making future decisions regarding staffing and resource allocation.

50. As noted above, a review of the functions of officials other than Secretariat officials and experts on mission and the risks of financial and political interests in their work should be carried out by the future staff of the Ethics Office.

51. In protecting staff against retaliation for reporting misconduct, the role of the Ethics Office should be better clarified for staff. The Office does not duplicate the investigative role of heads of department or other offices, such as the Office of Internal Oversight Services or the Office of Human Resources Management, but only makes an initial judgement on whether a staff member's complaint merits further investigation. Even so, given the often complex nature of the complaints and the due process requirements of preliminary fact-finding, additional resources will be required to implement that function effectively.

52. The procedures for implementing the policies mandated under the Office have been developed and publicized through the development of promotional material and the page for the Office on iSeek. To improve those procedures and ensure uniformity in their application, a preliminary draft of an operating manual has been developed for continuous reference.

53. As stated above, the Secretary-General will present a comprehensive review of the Ethics Office at the sixty-second session of the General Assembly, as recommended by the Advisory Committee on Administrative and Budgetary Questions in its report (A/60/418). The Secretary-General will also present his views on the possible establishment of a group of internationally representative experts to provide periodic, independent assessment of the Ethics Office.

VI. Conclusion

54. The Ethics Office must continue to be an active player and partner in the ongoing process of United Nations management reform, given the clear need to reinforce ethical values, standards and accountability in that process. To make an effective contribution, the Office must reach out to both staff and management and engage in a constructive dialogue.

55. Independence and impartiality are of vital importance in the functioning of the Ethics Office, and must be actively preserved and strengthened as the final structure of the Office is put in place and its work evolves.